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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	Chapter 11
RESIDENTIAL CAPITAL, LLC, <i>et al.</i> ,	Case No. 12-12020 (MG)
Debtors.	(Jointly Administered)

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**NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA'S STATEMENT
REGARDING, AND OBJECTION TO, THE DEBTORS' PROPOSED SALE OF
PLATFORM ASSETS TO OCWEN LOAN SERVICING, LLC**

Neighborhood Assistance Corporation of America ("NACA"), by and through its undersigned counsel, hereby files this objection to the proposed sale of the Debtors' servicing platform assets (the "Platform Assets") to Ocwen Loan Servicing, LLC ("Ocwen Loan Servicing") and reservation of rights with respect thereto (the "Objection"). In support of the Objection, NACA relies on the *Declaration of Bruce Marks In Support of Neighborhood Assistance Corporation of America's Statement and Objection to the Debtors' Proposed Sale of Their Platform Assets to Ocwen Loan Servicing, LLC*, filed concurrently herewith. In further support of the Objection, NACA, by and through its undersigned counsel, respectfully represents:

Statement and Objection

1. NACA is a nonprofit corporation, advocacy organization, and HUD-approved housing counseling agency.¹ NACA's primary mission is to build strong, healthy neighborhoods in urban and rural areas nationwide through affordable homeownership. NACA provides mortgage-related assistance primarily to underserved low-and-moderate-income families and communities pursuant to a number of programs, including its Purchase Program² and Home Save Program.³

2. From its offices in 25 states and the District of Columbia, NACA assists more borrowers than any other such agency in the United States and has entered into contracts with many of the leading mortgage servicers and investors in the country. Such mortgage servicers include Ocwen Financial Corporation ("Ocwen Financial"), Ocwen Loan Servicing's corporate parent. NACA is thus uniquely positioned to understand the devastating effect the proposed sale would have on thousands of individuals and families seeking foreclosure prevention assistance.

3. In connection with NACA's relationship with Ocwen Financial, NACA has witnessed first-hand Ocwen Financial's deficient performance in assisting families and individuals at risk of foreclosure. For example, under its contract with NACA, Ocwen Financial

¹ NACA is also service provider to the debtors in these cases (the "Debtors") and thus periodically receives notice via mail of the filings in these cases. Although the Debtors filed a notice announcing Ocwen Loan Servicing as the winner of the auction of the Platform Assets on or about October 25th, due to a combination of the expedited timetable at which these cases are proceeding and Hurricane Sandy's virtual paralysis of the Northeast, NACA did not receive actual notice of the auction results until late last week. NACA prepared and submitted this Objection promptly thereafter.

² The Purchase Program assists individuals and families with obtaining mortgage loans at highly favorable terms—such as no downpayment, no closing costs or fees and below-market 30-year fully amortized fixed interest rates—for purchase of owner-occupied homes.

³ The Home Save Program assists individuals and families with obtaining affordable mortgage payments for existing mortgage loans. Through its Home Save Program, NACA has helped tens of thousands of families to modify their mortgage free of charge. The Home Save Program has thus helped tens of thousands of families avoid foreclosure of their homes during the current sub-prime mortgage crisis.

is required to provide information to NACA regarding the status of clients seeking assistance from Ocwen Financial. Ocwen Financial has failed to fully comply with these information-sharing requirements, thereby precluding NACA from effectively assisting such clients avoid foreclosure. Ocwen Financial's breaches threaten to undermine NACA's mission of helping clients secure their homes by obtaining an affordable mortgage payment.

4. Ocwen Financial's failure to honor its obligations pursuant to its agreements with NACA has precluded borrowers from obtaining effective foreclosure assistance and thus securing an affordable mortgage payment. Ocwen Financial's inaction has thus contributed to increased foreclosures, and is particularly alarming during the current subprime mortgage crisis the country is facing. For the foregoing reasons, NACA, on behalf of thousands of individuals and families at risk of losing their homes or struggling with an unaffordable mortgage, forcefully objects to the sale of the Platform Assets to Ocwen Loan Servicing.⁴

Objection and Reservation of Rights

5. In addition, NACA objects to the proposed transaction because it fails to disclose the final terms and conditions of the sale and how such terms and conditions may impact NACA's relationship with the Debtors. NACA also asserts a protective objection and reservation of rights to the proposed transaction to the extent the transaction impacts its relationship with the Debtors, including any modification or modifications thereto. NACA

⁴ Furthermore, NACA objects to the proposed sale of assets because, upon information and belief, Ocwen Financial's underwriting and servicing operations are based in India and it is incorporated in the Virgin Islands. Thus the sale of the assets will result in the loss of jobs in the United States in times of high unemployment. The location of underwriting and servicing operations in India also will place significant geographic and cultural hurdles in the way of efforts to advocate on behalf of individuals and families with unaffordable mortgages. Simply put, the difficult personal issues related to foreclosure cannot be properly addressed by decision makers located halfway across the globe. Upon information and belief, Ocwen is unique among mortgage servicers in the outsourcing of its underwriting operations to India. In addition, many solutions and services provided to at-risk homeowners are funded through government programs. As a practical matter, therefore, if the sale of the Platform Assets to Ocwen Loan Servicing is approved, taxpayer monies will be used to fund jobs overseas.

reserves the right to supplement this Objection prior to the sale hearing and to submit further declarations in support of such objections.

WHEREFORE, for the foregoing reasons, NACA respectfully requests that this Court deny the Debtors' request to approve the sale of the Platform Assets to Ocwen Loan Servicing and grant such other and further relief as this Court deems just and proper.

Dated: November 5, 2012
New York, New York

ALCANTAR LAW PLLC

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